

MARKET BULLETIN

REF: Y4041

Title	Spain – Registry of Insurance Policies Covering the Risk of Death
Purpose	This bulletin details a new requirement - the creation of a registry of insurance policies covering the risk of death - under Spanish law 20/2005. It outlines the scope of the law's application, information to be submitted and how and when this information should be provided.
Type	Event
From	Andrew Gurney, Senior Manager, Lloyd's International Market Access (extension 6677)
Date	13 July 2007
Deadline	In-force policy details to be submitted to Lloyd's Spain by 17 August, 2007 Weekly updates of new and renewal policies thereafter, commencing 24 August, 2007.
Related links	None

Purpose of bulletin

This bulletin details a new requirement, the creation of a registry of insurance policies covering the risk of death ("the Registry"), under Spanish law 20/2005, outlining the scope of the laws application, information to be submitted and how and when this information should be provided.

This bulletin is relevant to managing agents, underwriters and Lloyd's brokers underwriting or arranging contracts subject to Spanish law where the assured is covered for the risk of death.

Background

Spanish Law 20/2005 was passed in November 2005 but developed in April 2007 (Royal Decree 398/2007) and includes the new requirement to create a registry of insurance policies covering the risk of death. The purpose of the Registry (which is maintained by the Spanish Ministry of Justice) is to inform interested parties of the existence of an insurance

policy covering the risk of death in case of the assured's death, detailing policy details, the assured's name and the name of the insurer (see Appendix 1). The law requires insurers to supply the registry with the required information in respect of in-force policies and new and renewal policies thereafter. The weekly updates should also include policy expirations, cancellations and any changes in policy coverages where death benefits have now been added or removed.

Impact of Spanish law 20/2005 on Lloyd's Underwriters

Spanish law 20/2005's requirement to create a registry of insurance policies covering the risk of death is addressed to all insurers writing contracts of insurance subject to Spanish Law. Lloyd's Underwriters are therefore subject to this requirement in respect of "establishment" and "freedom of services" business (see Appendix 1).

The law is applicable to all policies (see Appendix 1 for exemptions) providing death benefits and therefore includes life policies and any contract of insurance providing death benefits where this may be incidental to the policy's main coverage(s). Lloyd's underwriters are therefore required to identify relevant policies and report the required information in respect of these policies.

Lloyd's Spain – submission of information to the Registry

Lloyd's Spain will coordinate the submission of the required policy information to the Registry. This will permit data to be submitted to a central point, to be formatted and validated and a single submission made on behalf of Lloyd's Underwriters. The first of these submissions will be completed by **3 September, 2007**. The law then requires insurers to update the Registry on a weekly basis thereafter. The format for data submission from managing agents to Lloyd's Spain is attached at Appendix 1

A summary of the applicable regulation can be obtained from Lloyd's Spain (please refer to "Further information"). Information regarding this requirement can also be found on Crystal at www.lloyds.com/Crystal.

Further information

If you have any queries about this market bulletin, please contact:

Lloyd's Spain
Beatriz Ramirez, Head of Legal and Compliance for Spain & Portugal.
Tel: 0 20 7327 7902
Email: beatriz.ramirez@lloyds.com

Lloyd's International Trading Advice:
Tel: 020 7327 6677
Email: lita@lloyds.com
Box 190b, Gallery 1.

Appendix 1

Registry of Insurance Policies Covering the Risk of Death**1. Who is this requirement addressed to?**

Spanish insurers and those operating in Spain on a freedom of services or establishment basis (such as Lloyd's Underwriters). In case of co-insurance, the leader will be responsible for providing the required policy information.

2. Scope of application.

Life and accident policies covering the risk of death and subject to Spanish law are to be included on the Registry. Personal and commercial lines policies (either individual or collective policies) should be included. Please note that any policies which include death benefits which may be incidental to the main policy coverage(s) are also to be included, i.e. cover of death in case of accident as a complement of a life policy, sickness insurance, household multi-risk insurance, travel cover, etc. Life and accident policies linked to credit cards are also included.

2. Exemptions

The following are exempted from the requirement to submit policy details:

- Group insurance policies covering pension obligations of employers
- Insurance policies where the policyholder and the beneficiary are the same person
- Certain insurance policies entered into by Spanish mutual insurance companies¹

4. Information to be provided.

Insurers must inform the Registry of the following:

- Policy number
- Type of cover
- Inception date and expiry date of policy
- Assured's name and identification or passport number (ID)²
- Insurer's details³: name, address, DGS code and Fiscal Code

¹ Additional details can be obtained if required. Please see contacts under "Further Information"

² The assured's identification number refers to the individual ID number of the assured. Where this information has not been captured in respect of in-force policies it will be acceptable to enter "unknown". The passport number is acceptable only for non-Spanish assureds living in Spain with policies subject to Spanish Law. **New and renewal business should include this information going forward.**

³ The insurer should be shown as "Lloyd's". Managing agents' FSA and VAT number are not required. The DGS code and Fiscal Code will be entered by Lloyd's Spain using the codes applicable to that office.

5. When is the information to be submitted to Lloyd's Spain?

Lloyd's Spain will begin making submissions to the Registry on 3 September, 2007.

In-force policies - to allow for information provided by managing agents to be checked and aggregated permitting a single Lloyd's return to be submitted to the Registry, managing agents should provide this information by **Friday, 17 August, 2007**.

New and renewal policies - weekly updates are required thereafter, commencing **Friday, 24 August, 2007**

Policy expirations, cancellations and any changes in policy coverages where death benefits have now been added or removed - weekly updates, commencing **Friday, 24 August, 2007**

Life & accident policies (providing death benefits) linked to credit cards – this information is not required by the Registry until April 2008.

6. Format of the information

Managing agents should submit to Lloyd's Spain (beatriz.ramirez@lloyds.com) the information required as an **Excel spreadsheet**, on or before 17 August, 2007, in the following format:

Col A = Assured's Name (first name)

Col B = Assured's Surname

Col C = Assured's Identification No. or Passport No.

Col D = Policy No.

Col E = Type of Cover

Col F = Inception Date (dd/mm/yyyy)

Col G = Expiry Date (dd/mm/yyyy)

Col H = Policy status ("Active" or "Expired" or "Cancelled")

After formatting and validating the information received, Lloyd's Spain will begin sending submissions on 3rd September, 2007.

7. Other considerations

Data Protection issues.

UNESPA, the Spanish Insurers' Association obtained advice from the Spanish Data Protection Agency confirming that the requirement to provide assured's details for the purposes of the Registry does not contravene Spanish Data Protection laws. Lloyd's underwriters (and coverholders acting on their behalf) should however be aware of their

continued obligation to ensure that all policies include a suitable clause regarding the processing of data in accordance with data protection principles⁴

Regulatory oversight

The Registry will be in permanent contact with the Spanish insurance regulator - the Dirección General de Seguros (DGS) - to which it shall notify any significant occurrence. The DGS will compel the insurer to comply with their reporting duty or request audits to check compliance and adopt corrective measures.

Access to the Register

Access to assured's policy details held on the Registry is controlled. Enquirers with "legitimate interest" are entitled to obtain the assured's policy details, provided that they supply an assured's death certificate. It is assumed that the assured's relatives and close people have such a legitimate interest. Additional questions in this regard can be addressed to Lloyd's Spain who will raise this issue with the regulator where necessary.

⁴ Please contact Lloyd's Spain (see "Further information") for further information if required